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August 28, 2007

**Via Facsimile: 564-7279**

Hon. Robert Cowan  
Public Service Commission  
211 Sower Boulevard  
P. O. Box 615  
Frankfort, Kentucky 40602-0615

**RECEIVED**

**AUG 30 2007**

**PUBLIC SERVICE  
COMMISSION**

Re: In the Matter of the Application of Farmdale Development Corporation  
("Farmdale") to Enter into Promissory Note pursuant to KRS 278.300, Case No.  
2007-00331

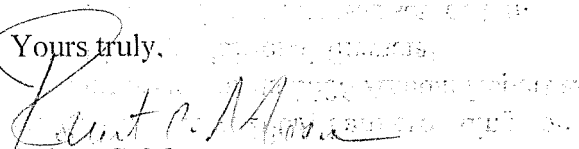
Dear Mr. Cowan:

Pursuant to our telephone conversation of Monday, August 27, 2007, I am providing you with the following information in support of Farmdale's submission of its 2006 Annual Report as its financial exhibit and its request that the requirement to file any additional financial information pursuant to 807 KAR 5:001, Section 11 be waived. This request was set forth in Paragraph 11 of its Application. As indicated in the Application, the Commission approved a surcharge of \$9.92 a month for a period of five years or the collection of \$146,307 in Case No. 2006-00028 in order to pay for the improvements and repairs listed and described in detail in Attachment B to the Application. The monies to be obtained through the requested loan will be used to pay for the implementation of the improvements and repairs, and the surcharge funds will then pay off the loan.

The 2006 Annual Report should satisfy the requirement to submit financial information, even though it is more than ninety (90) days old, because there have been no substantial changes in the operation of the Farmdale WWTP or its finances. There have been decreases in the cost of Routine Maintenance and Outside Services Employed and increases in the collection fee, depreciation and amortization. Of course, the approval of the loan will result in an increase in interest expense while the loan is being repaid.

Please call me if you need any additional information on this issue.

Yours truly,

  
Robert C. Moore

RCM/neb  
cc: Carroll Cogan